

INTRODUCED _____
PUBLIC HEARING _____
COUNCIL ACTION _____
EXEC. ACTION _____
EFFECTIVE DATE _____

County Council Of Howard County, Maryland

2005 Legislative Session

Legislative Day No. 8

Bill No. 36-2005

Introduced by: The Chairman at the request of the County Executive

AN ACT to authorize and empower Howard County, Maryland, to borrow up to \$7,273,000 on its full faith and credit, and issue and sell its bonds therefor, to be used to pay costs of certain County school system capital projects specified in the County's 2006 Capital Budget and to pay costs of issuance of such bonds; authorizing and empowering the County to issue bond anticipation notes or to enter into installment purchase agreements for payment of portions of such costs; and to levy taxes upon the assessable property within the County sufficient, together with school facilities surcharges and other available funds, to pay the debt service on such obligations; and providing for and determining various matters in connection therewith.

Introduced and read first time _____, 2005. Ordered posted and hearing scheduled.

By order _____
Sheila M. Tolliver, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2005.

By order _____
Sheila M. Tolliver, Administrator

This Bill was read the third time on _____, 2005 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Sheila M. Tolliver, Administrator

Sealed with the County Seal and presented to the County Executive for approval this __ day of _____, 2005 at __ a.m./p.m.

By order _____
Sheila M. Tolliver, Administrator

Approved by the County Executive _____, 2005

James N. Robey, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN ALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **Recitals**

2 As a part of the Capital Budget for the fiscal year ending June 30, 2006, it is necessary that Howard
3 County, Maryland borrow a sum not exceeding \$7,273,000, to be used for the school system capital projects
4 specified in the County's Capital Budget for the fiscal year ending June 30, 2006, which are more
5 particularly described in Appendix A to this bond enabling law and for payment of costs of issuance of any
6 obligations issued to evidence such borrowing.

7 **Now therefore, in accordance with the provisions of Article VI of the Charter of Howard**
8 **County:**

9 **Section 1. Be it enacted by the County Council of Howard County, Maryland,** That Howard
10 County, Maryland (the "County"), is hereby authorized and empowered to borrow on its full faith and credit,
11 and issue and sell its bonds therefor, at one time or from time to time, an amount not exceeding \$7,273,000,
12 the proceeds thereof to be used for the school system capital projects (each a "Project") more particularly
13 specified and described in Appendix A hereto and in the County's Capital Budget for the fiscal year ending
14 June 30, 2006; including for each capital project, without limitation, the cost of planning, design,
15 construction, reconstruction, furnishing, equipping, improvements, renovations, remodeling, enlargements,
16 engineering services, architects services, surveys, landscaping, site development, evaluation studies, land
17 acquisition and related items, appurtenances and incidental activities. The Projects, and the amount to be
18 borrowed for each, are more specifically identified and described in Appendix A hereto.

19 Proceeds of any bonds authorized by this Act may also be used to pay costs of issuance of such
20 bonds.

21 **Section 2. And be it further enacted by the County Council of Howard County, Maryland,**
22 That, pursuant to and in accordance with Article 31, Section 12 of the Annotated Code of Maryland, as
23 amended, the County is also authorized to issue bond anticipation notes in anticipation of the issuance of the
24 bonds authorized by this Act and described in Section 1 hereof, and all references to "bonds" or
25 "obligations" shall include such bond anticipation notes, unless the context clearly requires a contrary
26 meaning. It is intended that the aggregate principal amount of issued and outstanding bond anticipation

1 notes when added to the aggregate principal amount of issued and outstanding bonds in anticipation of
2 which such notes were issued, shall not exceed the aggregate principal amount set forth in Section 1 of this
3 Act at any time. The County will agree in each ordinance described in Section 4 of this Act relating to any
4 notes issued pursuant to this Act to pay such notes and the interest and premium, if any, thereon from the
5 proceeds of the bonds in anticipation of the sale of which such notes are issued, and the County will agree to
6 issue such bonds when, and as soon as, the reason for deferring their issuance no longer exists.

7 **Section 3. And be it further enacted by the County Council of Howard County, Maryland,**

8 That, in connection with the acquisition of real property as part of a Project, the County may incur all or any
9 portion of the indebtedness authorized by this Act for such acquisition by entering into an installment
10 purchase agreement pursuant to and in accordance with Section 4.201A of the Howard County Code
11 ("Section 4.201A") or any successor provisions of law in lieu of issuing bonds for such acquisition. The
12 principal amount of any such installment purchase agreement shall not exceed the lesser of (a) the maximum
13 principal amount permitted by Section 4.201A or (b) the portion of the amount to be borrowed for such
14 Project (as set forth in Section 1 hereof) which relates to such acquisition. All references to "bonds" or
15 "obligations" in this Act shall include such installment purchase agreements, unless the context clearly
16 requires a contrary meaning.

17 **Section 4. And be it further enacted by the County Council of Howard County, Maryland,**

18 That the County Council of Howard County, by an ordinance or ordinances adopted from time to time in
19 accordance with Article VI of the Charter of Howard County and other applicable provisions of law, shall
20 provide for (a) the issuance and sale of, (b) the designation, form, tenor, denomination or denominations and
21 maturities (not exceeding twenty-five years) of, and (c) the interest rate or rates per annum (or the method of
22 determining such rate or rates) payable on, any bonds or other obligations issued from time to time under
23 this Act; and may by any such ordinance, or by separate resolution, provide that the issue of bonds or other
24 obligations hereby authorized be consolidated with one or more other issues as provided in Article 31,
25 Section 2C of the Annotated Code of Maryland, as amended, and any successor provision of law.

1 **Section 5. And be it further enacted by the County Council of Howard County, Maryland,**

2 That for the purpose of paying the principal of and interest on such bonds or other obligations as the same
3 shall become payable, the County Council of Howard County shall levy annually ad valorem taxes upon the
4 assessable property in Howard County sufficient, together with school facilities surcharges and other
5 available funds, to pay the principal of and interest on such bonds or other obligations until all of such bonds
6 or other obligations shall mature and be redeemed.

7 **Section 6. And be it further enacted by the County Council of Howard County, Maryland,**

8 That any bonds or other obligations issued from time to time under this Act are specifically exempt from the
9 provisions of Article 31, Sections 10 and 11 of the Annotated Code of Maryland, as amended, and any
10 successor provision of law.

11 **Section 7. And be it further enacted by the County Council of Howard County, Maryland,**

12 That all bonds or other obligations authorized hereby shall be issued within four years from the date this Act
13 becomes effective. Notwithstanding the foregoing, if bond anticipation notes are issued within such period
14 in accordance with Section 2 hereof and such notes have a stated maturity date after such expiration date,
15 the bonds authorized hereby may be issued until the stated maturity date of such notes.

16 **Section 8. And be it further enacted by the County Council of Howard County, Maryland,**

17 That the County anticipates that a portion of the costs of some or all of the Projects may be paid prior to the
18 issuance of the bonds or other obligations authorized hereby. The amount of such costs so paid will depend
19 on various factors, including, without limitation, the timing and speed of progress on the Projects, the
20 availability of other funds to pay such costs on an interim basis, bond and money market conditions and
21 compliance with federal and State laws and regulations.

22 Accordingly, the County reasonably expects to reimburse costs of the Projects (as described herein)
23 with proceeds of the bonds or other obligations authorized hereby, such bonds or other obligations to be
24 issued by the County in the maximum principal amount of \$7,273,000.

25 **Section 9. And be it further enacted by the County Council of Howard County, Maryland,**

26 That this Act shall take effect sixty-one (61) days after its enactment.

School System Projects

Project Description	Amount to be Borrowed
E0980 FY2004 SYSTEMIC RENOVATIONS Improvements and installation of systemic renovations at various schools	\$6,773,000
E0992 FY2004 NORTHEASTERN ELEMENTARY SCHOOL A project to construct a new elementary school to relieve the Northeastern and Northern region.	500,000
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School System Projects - Total	<u>\$7,273,000</u>